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BUSINESS PLAN

CINA HOSPITAL CO., LIMITED



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CINA HOSPITAL CO., LIMITED
Business Plan – HOSPITAL SERVICE

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CINA HOSPITAL CO., LIMITED
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Executive Summary

Cina Hospital Co., Limited is a private healthcare facility registered in Tanzania, aiming to provide high-quality, affordable, and accessible healthcare services to the Tanzanian population. The hospital will be located in Dar es Salaam, Tanzania, and will offer a wide range of medical services, including general medicine, surgery, maternity care, pediatric care, and specialized treatments. The hospital will be equipped with state-of-the-art medical technology and staffed by highly qualified medical professionals.

The healthcare sector in Tanzania is growing due to increasing population, urbanization, and a rising middle class. Cina Hospital Co., Limited aims to tap into this growing demand by providing world-class healthcare services at competitive prices. The hospital will also contribute to the Tanzanian economy by creating employment opportunities and generating government revenue through taxes.

1. INTRODUCTION

This business plan has been drawn up regarding the Hospital Service in United Republic of Tanzania. This business plan has been drawn up for an operation that would help the company and the Government of Tanzania and neighboring countries to boost the economic growth through provision of high quality and affordable Hospital Service

1.1 Background

Tanzania's healthcare sector is undergoing significant transformation, driven by population growth, urbanization, and increasing demand for quality healthcare services. The government has been actively encouraging private sector participation in healthcare to complement public healthcare services. Cina Hospital Co., Limited aims to fill this gap by providing affordable and high-quality healthcare services to the Tanzanian population.

The hospital will be registered under the Tanzanian Companies Act, with all necessary licenses and permits to operate as a healthcare facility. The hospital will comply with all Tanzanian healthcare regulations and standards.

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1.2 Vision, Mission, Values and Objectives of the Business.

Mission

To become the leading provider of affordable and high-quality healthcare services in Tanzania

Vision

To provide accessible, affordable, and high-quality healthcare services to all Tanzanians, ensuring patient satisfaction and well-being.

Core Values

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- Patient-Centered Care: Putting patients at the heart of everything we do.
- Excellence: Striving for the highest standards in medical care.
- Integrity: Upholding ethical standards in all our operations.
- Innovation: Embracing modern medical technologies and practices.
- Teamwork: Collaborating to achieve the best outcomes for our patients.

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Project Objectives

To provide high-quality healthcare services to both local and international patients.

To create employment opportunities for Tanzanian healthcare professionals.

To contribute to the Tanzanian economy through tax revenues and healthcare investments.

To establish a reputation as a leading healthcare provider in Tanzania

1.3 Products and Services

Cina Hospital Co., Limited will offer a wide range of medical services, including:

- General Medicine: Outpatient and inpatient care for common illnesses and chronic conditions.
- Surgery: General and specialized surgical procedures.
- Maternity Care: Prenatal, delivery, and postnatal care.
- Pediatric Care: Specialized care for children, including vaccinations and pediatric surgery.
- Diagnostic Services: Advanced imaging, laboratory tests, and diagnostic procedures.
- Specialized Treatments: Cardiology, orthopedics, and oncology services.
- Emergency Services: 24/7 emergency care for critical conditions.

1.4 RATIONALE AND DESCRIPTION OF THE BUSINESS

Our Tanzania's healthcare sector is growing rapidly, driven by a population of over 61 million people and increasing urbanization. The country's middle class is expanding, leading to higher demand for quality healthcare services. Cina Hospital Co., Limited aims to meet this demand by providing affordable and high-quality healthcare services.

The hospital will be strategically located in Dar es Salaam, Tanzania's largest city, ensuring easy access for patients. The hospital will partner with reputable medical suppliers and equipment manufacturers to ensure the highest standards of care.

1.5 Operational plan

- Location: The hospital will be located in Dar es Salaam, with easy access to major roads and public transportation.
- Facilities: The hospital will have 100 beds, state-of-the-art operating theaters, diagnostic centers, and outpatient clinics.
- Staffing: The hospital will employ highly qualified medical professionals, including doctors, nurses, and support staff.
- Supply Chain: The hospital will establish partnerships with reputable medical suppliers to ensure a steady supply of medicines and medical equipment.

- Marketing:

The hospital will implement a comprehensive marketing strategy to attract patients, including digital marketing, community outreach, and partnerships with insurance companies.

2. Ownership and Management of the Project

Cina Hospital Co., Limited will be owned by three shareholders, each with significant experience in healthcare and business management.

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3.2 Shareholding Structure

The company shareholding structure is depicted below:

Zhou Weilong	34%
Lyu Liang	33%
Li Mingyang	33%

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3.2.1. Funding

Funds for financing the business was contributed the Directors of **Cina Hospital Co., Limited** Also the company explored other financing window such as supplier credits and short term financing from financial institutions.

a. Equity

The company shareholders contributed the equity which were used to acquire the equipment and machinery, as well as initial working capital.

b. Directors financing

The directors also extended the financing in terms of advance from directors to facilitates the company growth and ensure the company operations are running smoothly

1. ECONOMIC ASPECTS

1.1 Investment Priority

The project investment is in line with government policy and development goals to ensure easy healthcare services.

1.2 Employment opportunity

The project will creates employment to people who otherwise could not have secured employment and indirectly will create more opportunities. It also develops skills to the employees on a continuous basis that will have a multiplier effect and associated demand for support services.

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1.3 Government revenue

The government is expected to earn greater amount of income in form of taxes such as corporate tax, Value Added Tax, Excise duty, Employment taxes such as pay as you earn and skills and development levy. Also other government fees such as licenses and permits.

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1.4 ANNUAL SALES AND PURCHASES PROJECTIONS

The following is the projected purchases of equipment for the next 12 months.

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Period of Cash Flow Projections year	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Inflows:													
Cash and Debtors Collections	0	0	206,177,400	201,595,680	180,977,940	190,141,380	160,360,200	158,069,340	148,905,900	180,977,940	160,360,200	183,268,800	1,770,834,780
Capital Injections	200,000,000												200,000,000
Directors current account		30,000,000	0										30,000,000
Total inflows	200,000,000	30,000,000	206,177,400	201,595,680	180,977,940	190,141,380	160,360,200	158,069,340	148,905,900	180,977,940	160,360,200	183,268,800	2,000,834,780
Out Flows:													
FIXED & VARIABLE EXPENSES													
Commissions and fees	-	-	4,123,548	4,031,914	3,619,559	3,802,828	3,207,204	3,161,387	2,978,118	3,619,559	3,207,204	3,665,376	35,416,698
Sales and marketing	-	-	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000	121,000,000
Interest expense	6,556,333	6,415,464	6,272,598	6,127,709	5,980,767	5,831,743	5,680,608	5,527,332	5,371,885	5,214,236	5,054,353	4,892,205	68,925,234
Purchases of Raw materials	-	-	145,878,700	85,811,000	85,811,000	171,622,000	85,811,000	85,811,000	163,040,900	85,811,000	85,811,000	180,203,100	1,175,610,700
Salary and wages - Experts	-	-	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	82,500,000
Salaries/ wages - Other Staffs	-	-	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	58,500,000
Workers Compensation Fund (WCF)	-	-	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	292,500
Social Security Contributions	-	-	1,795,000	1,795,000	1,795,000	1,795,000	1,795,000	1,795,000	1,795,000	1,795,000	1,795,000	1,795,000	17,950,000
Skills and Development Levy (SDL)	-	-	718,000	718,000	718,000	718,000	718,000	718,000	718,000	718,000	718,000	718,000	7,180,000
Repairs and maintenance	1,073,333	1,073,333	1,073,333	1,073,333	1,073,333	1,073,333	1,073,333	1,073,333	1,073,333	1,073,333	1,073,333	1,073,333	12,880,000
Water & Electricity	514,800	514,800	514,800	514,800	514,800	514,800	514,800	514,800	514,800	514,800	514,800	514,800	6,177,600
Auditing Fee	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	3,000,000
Telephone, postage and Internet	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	2,112,000
Tax Consultations	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	4,800,000
Oil and Lubricants	2,083,333	2,083,333	2,083,333	2,083,333	2,083,333	2,083,333	2,083,333	2,083,333	2,083,333	2,083,333	2,083,333	2,083,333	25,000,000
Road Toll	6,414,408	6,414,408	6,414,408	6,414,408	6,414,408	6,414,408	6,414,408	6,414,408	6,414,408	6,414,408	6,414,408	6,414,408	78,972,896
Weight and Measures	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	13,200,000
Permits and other costs	-	-	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	4,400,000
Bank Charges	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	3,000,000
Loan Processing fees	-	-	-	-	-	-	-	-	-	-	-	-	-
City service levy	-	-	618,532	604,787	542,934	570,424	481,081	474,208	446,718	542,934	481,081	549,806	5,312,500
Rent	1,388,400	1,388,400	1,388,400	1,388,400	1,388,400	1,388,400	1,388,400	1,388,400	1,388,400	1,388,400	1,388,400	1,388,400	16,660,800
Demurrage and handling charges	1,157,000	1,619,800	1,619,800	1,619,800	1,619,800	1,619,800	1,619,800	1,619,800	1,619,800	1,619,800	1,619,800	1,619,800	19,974,800
Insurance	1,458,333	2,041,667	2,041,667	2,041,667	2,041,667	2,041,667	2,041,667	2,041,667	2,041,667	2,041,667	2,041,667	2,041,667	23,916,668
Courier Services	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,200,000
Business Licence	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	400,000
Security Expenses & Accessories	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	3,000,000
Parking and Gate pass Expenses	76,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	1,000,000
Plant and machinery													
Taxes paid	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	6,000,000
Trucks repayments	175,000,000												175,000,000
Total Outflows	198,781,275	24,694,538	204,354,703	144,036,734	143,415,584	229,288,320	142,641,210	142,435,252	219,298,946	142,648,053	142,014,962	236,771,812	1,970,382,396
Net flow	1,218,725	5,305,462	1,822,697	57,558,946	37,562,356	-39,146,940	17,718,982	15,634,088	-70,393,046	38,328,887	18,345,238	-53,503,012	30,452,384
Opening Cash Balance	-	1,218,725.33	6,524,187.11	8,346,884.12	65,905,830.05	103,466,186.95	64,321,246.38	82,040,228.74	97,674,316.77	27,281,271.21	65,610,158.19	83,955,396.01	
Net flow	1,218,725.33	5,305,461.78	1,822,697.01	57,558,945.93	37,562,355.91	(39,146,939.58)	17,718,982.37	15,634,088.03	(70,393,045.56)	38,328,886.98	18,345,237.82	(53,503,012.14)	

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Accumulated cash flow	1,218,725.33	6,524,187.11	8,346,884.12	65,905,830.05	103,468,185.95	64,321,246.38	82,040,228.74	97,674,316.77	27,281,271.21	65,610,158.19	83,955,396.01	30,452,383.88	
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2. MARKET ASSESSMENT

5.0 Industry Analysis

For Cina Hospital Co., Limited to have the Centre running the Key Success Factors include use of advanced technology for healthcare services, Procured quality care which ensure the return on investment, Good management, networking abilities, timely delivery, lowest product sourcing cost, accessible location and other factors deem to be important..

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Table 5.1: Rival Analysis

Key Success Factor	Industry1	Industry2	Industry3	Competitor 4	Competitor 5	Competitor 6	Competitor 7	CINA HOSPITAL CO., LIMITED
Reputation and Image	High	High	Moderate	Moderate	Moderate	High	Moderate	High
Good services	High	High	Moderate	Moderate	Moderate	High	Moderate	High
Supply Chain management	High	High	Moderate	Moderate	Moderate	Moderate	Moderate	High
Reliability of the machines	Moderate	Moderate	Low	Low	Low	Moderate	Moderate	High
Affordability	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	High
Timely delivery	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	High
Price Stability	High	High	Moderate	Moderate	High	High	High	High

From Table 5.1 above, the company is focusing on quality and affordable healthcare services , Stable prices, aftersale services, and protecting the brand.

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5.2 Strengths, Weaknesses, Opportunities and Challenges (SWOC)

The analysis of key strengths and weaknesses that emanate from the internal environment and opportunities and challenges emanating the project from external environment is depicted in Table 5.2 below

Table 5.2: SWOT Analysis for Cina Hospital Co., Limited

STRENGTH	WEAKNESSES
<ul style="list-style-type: none">• Bulk Sourcing• Steady supply and good supply chain• Focus on affordability's	<ul style="list-style-type: none">• After sales services is expensive due to wide coverage of the country
OPPORTUNITIES	THREATS/CHALLENGES
<ul style="list-style-type: none">• There are more than 61 million peoples in Tanzania.• The increase in middle class fuels the consumptions of high quality health service.	<ul style="list-style-type: none">• Technology is evolving faster but we got this sorted

5.3 Strategic issues-Priority Areas for the Project Plan

Through situational analysis and discussion with the members of management, the followings were established as the priority issues to be addressed in the next three years of this Business Plan:

- Focus on marketing strategies by doubling the annual rate of customers.
- Foster the relationship with supplier financing institutions,
- Ensuring the company provide high quality products at the reasonable cost, strength and care about customer needs.
- Maintaining effective and close communication with both customers and employees.
- Ensuring on timely services to patients
- Heavily focusing on after sales services to our customers to ensure the products are offering the intended satisfactions

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5.4 CONCLUSION

The demand and market for quality Hospital Service in Tanzania is still not utilized in fully and there is a potential of doing good business by playing part to ensure the quality services are provided for exportation purposes.

This makes the project, relevant in the country like Tanzania and neighboring countries in Africa when there is rapid growth of population which triggered by improvement of internet infrastructure, water sector and construction industry and mostly. Good Healthcare. The company will fuel the development through the creations of employments and contributing to the country through paying taxes.

The financial returns from the project are therefore expected to be adequate to reflect the conservative approach to revenues and associated cost projections as well as long term view by the shareholders.

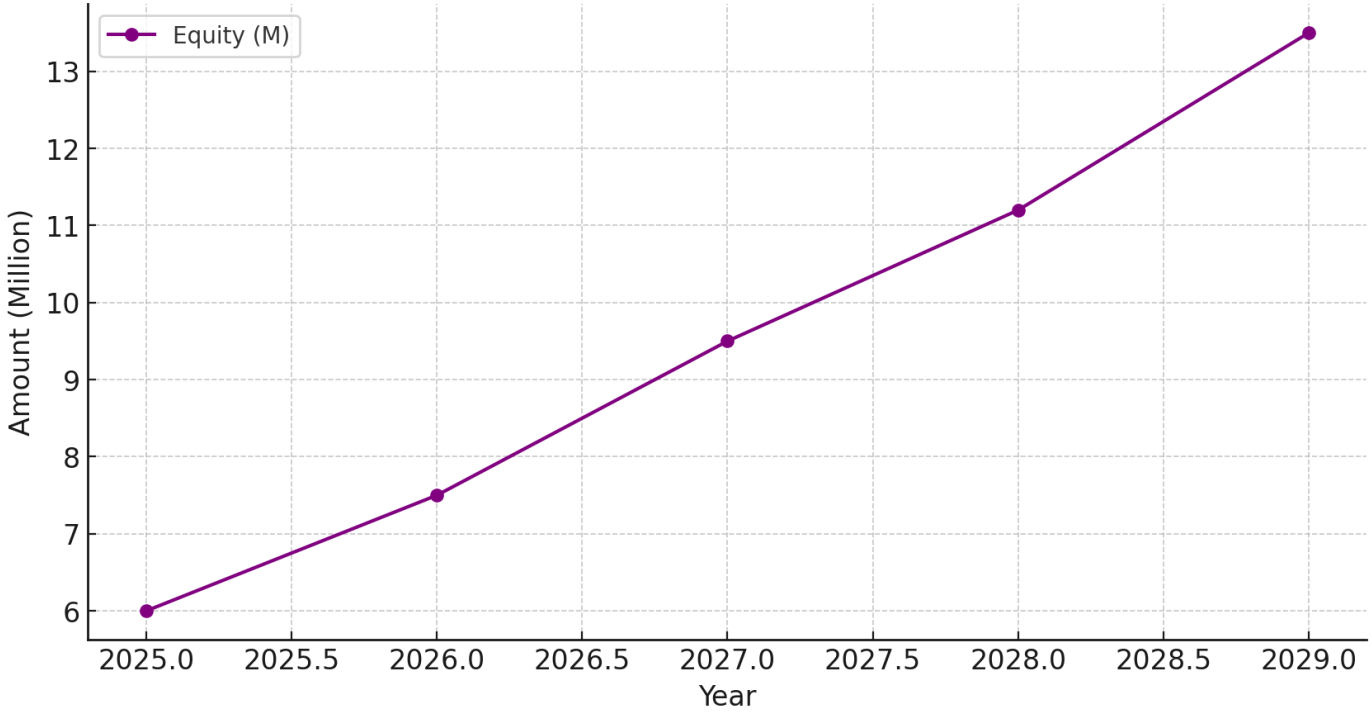
PROJECTION ON THE NEXT 5 YEARS

	Patient Fees	Insurance Claims	Government Funding	Other Income
Year 1	500000	200000	100000	50000
Year 2	600000	250000	120000	60000
Year 3	720000	300000	140000	70000
Year 4	850000	350000	160000	80000
Year 5	1000000	400000	180000	90000
Total Revenue	3670000	1500000	700000	350000

Cina Hospital Co. Limited - 5-Year Financial Projection

Year	Revenue (USD)	Expenses (USD)	Net Profit (USD)
2025	5,000,000	3,500,000	1,500,000
2026	5,500,000	3,800,000	1,700,000
2027	6,100,000	4,100,000	2,000,000
2028	6,700,000	4,500,000	2,200,000
2029	7,300,000	4,900,000	2,400,000

Equity Growth Projection



Revenue & Net Profit Projection

